

MEMORANDUM FOR: Chairman, Economic Intelligence Committee

: Annual Report for 1972 SUBJECT

DIA DECLASSIFICATION/RELEASE INSTRUCTIONS ON FILE

1. The Subcommittee on Shipbuilding during the past year intensified its review and coordination of interagency research in the shipbuilding and related fields. A significant result of the discussions in the Subcommittee's regular meetings was a re-evaluation of Soviet ballistic missile submarine construction programs and subsequent better grasp of the scope and pace of these programs. In order to provide improved coverage of the fast-growing problem of China's maritime development, the Subcommittee established a China Seapower Working Group.

2. Although no formal research projects were undertaken or assigned, the Subcommittee was informally involved in the review of a number of research papers. Some of these, connected with the

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this month, have

DIA 25X6 identified important areas for future research projects.

3. The Subcommittee participated actively in the above-This conference mentioned conference was the first under joint EIC/DIA sponsorship, as the 25X1X successor to the former

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The

new conference format proved to be as valuable as anticipated from the point of view of both improved intelligence coverage and savings in man-hours and travel expenses.

One innovation introduced during the past year was the convening, about quarterly, of a special panel to discuss questions of broad Soviet shipbuilding, shipping, and maritime policies. Entitled the Soviet Maritime Policy Forum, this panel solicited participation by representatives of some of the intelligence community's most important consumers. The reaction to this innovation has been highly favorable and the Subcommittee plans to continue to employ it as a vehicle for stimulating exchanges of ideas and improving its economic intelligence research.

> HERMAN DWORKIN Chairman Subcommittee on Shipbuilding .

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cc:

Executive Secretary Subcommittee on Shipbuilding

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3 March 1972

MEMORANDUM FOR: Dr. Mauri

Dr. Maurice Ernst

Chairman

Economic Intelligence Committee

SUBJECT:

China Seapower Working Group

- 1. I wish to inform you of a reorganization within the Shipbuilding Subcommittee. The representatives of the Subcommittee have approved changes in working procedures which in effect form separate China and Soviet Working Groups within the Subcommittee.
- 2. The China group, to be known as the China Seapower Working Group, will have equal status with the Soviet Working Group under the direction of the Shipbuilding Subcommittee. Each group will be equally represented on the Executive Council of the Subcommittee by representatives appointed by EIC members.
- 3. The Soviet working group will continue responsibility for Warsaw Pact maritime intelligence matters and the China working group will assume similar responsibilities for Asian communist areas.
- 4. The mission of the new China group is to provide an organizational framework for carrying out within its field the basic review and coordination responsibilities of the EIC and the Shipbuilding Subcommittee and for ensuring that, on those intelligence matters of China affecting the national security, the intelligence community is supported by the full economic knowledge and technical talent available in or to the US Government.
- 5. I think it best that the Executive Secretary of each working group be a CIA member. The Chairman of the China Working Group will be elected by the EIC members of the Subcommittee, each having one vote. I will continue to serve as Chairman of the Subcommittee and will assume the

same responsibilities within the Soviet Working Group. Each Working Group will normally meet once each month and informal minutes will be submitted to the Executive Secretary of the Shipbuilding Subcommittee.

- 6. The recent approval by USIB of a separate conference for discussion of Chinese maritime matters requires that the China Working Group meet soon to consider conference organizational matters including agenda items. I have therefore asked that the first meeting of the China Seapower Working Group take place on 4 April 1972. Prior to that date the Executive Council will elect a Chairman for the group.
- 7. I have asked each EIC member of the Sub-committee to appoint a representative to serve on the China Seapower Working Group and to submit a nominee for Chairman.
- 8. I have taken these actions because of the USIB endorsement of an international conference on China seapower and because of the continuing indications of Chinese maritime growth. I am confident that these changes in the organization of the Shipbuilding Subcommittee will meet with the general approval and support of the EIC.

HERMAN DWORKIN

Chairman

Shipbuilding Subcommittee